

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **436**

HOUSE BILL NUMBER **125**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to film industry incentives.**

SPONSOR **Representative Rowland**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES	(Indeterminable)	(Indeterminable)	(Indeterminable)	(Indeterminable)
EXPENDITURES				
NET EFFECT	(Indeterminable)	(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

MEASURE’S PURPOSE: HB 125, if enacted, would amend the definition of “enhanced incentive county” for purposes of the film industry tax credit to include Kentucky counties included in the Appalachian region as defined in the Appalachian Regional Development Act of 1965. Approved companies that film or produce motion pictures, commercials, documentaries, or produce touring Broadway shows in enhanced incentive counties qualify for a refundable income tax credit equal to 35% of the qualifying expenditures rather than the 30% tax credit that is available in counties that are not enhanced incentive counties. Since the current enhanced incentive counties and the Kentucky counties in the Appalachian region overlap, only five additional counties would be included under this proposal. Those counties are Boyd, Clark, Hart, Madison, and Rowan.

PROVISIONS/MECHANICS: HB 125 amends KRS 148.542 to allow all counties covered by the Appalachian Regional Commission to receive enhanced film industry incentives.

FISCAL EXPLANATION: To the extent that an approved company films or produces in one or more of the five additional enhanced incentive counties, there will be a negative, but indeterminable, fiscal impact to the General Fund.

DATA SOURCE(S): _____

PREPARER: **Charlotte T. Quarles** **NOTE NUMBER:** **88** **REVIEW:** **JRS** **DATE:** **3/14/2016**

LRC 2016-BR0436-HB125